

BLUE NILE INC
Form 4
February 17, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KANTER HARVEY S

(Last) (First) (Middle)

C/O BLUE NILE, INC., 411 1ST AVE. S. STE 700

(Street)

SEATTLE, WA 98104

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BLUE NILE INC [NILE]

3. Date of Earliest Transaction (Month/Day/Year)
02/15/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
CEO, Chairman and President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 02/15/2017 | | F | 5,403 ⁽¹⁾ D | \$ 40.72 168,316 ⁽²⁾ D | D | |
| Common Stock | 02/17/2017 | | D | 168,316 D ⁽³⁾ | 0 ⁽⁴⁾ D | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Stock Option (Right to Buy) | \$ 31.31 | 02/17/2017 | | D | 26,774 | (5) 02/14/2023 | Common Stock 26,774 |
| Stock Option (Right to Buy) | \$ 33.3 | 02/17/2017 | | D | 154,500 | (5) 03/29/2022 | Common Stock 154,500 |
| Stock Option (Right to Buy) | \$ 33.25 | 02/17/2017 | | D | 33,130 | (5) 02/14/2024 | Common Stock 33,130 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KANTER HARVEY S C/O BLUE NILE, INC. 411 1ST AVE. S. STE 700 SEATTLE, WA 98104 | X | | CEO, Chairman and President | |

Signatures

/s/ Lauren Neiswender, Power of Attorney
02/17/2017
**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The reported shares were withheld to cover the reporting person's tax liability in connection with the vesting of restricted stock units previously reported. These shares were not issued to or sold by the reporting person.
- (2) Includes vested and unvested units of restricted stock.
- (3) Pursuant to the agreement and plan of merger dated as of November 6, 2016 ("Merger Agreement"), by and among the issuer, Blue Nile, Inc., a Delaware corporation, BC Cyan Parent Inc., a Delaware corporation, and BC Cyan Acquisition Inc., a Delaware corporation and a

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wholly-owned subsidiary of BC Cyan Parent Inc., at the Effective Time (as defined in the Merger Agreement), each outstanding share of common stock and restricted stock unit owned by the reporting person was cancelled and converted into the right to receive \$40.75 (the "Per Share Price") less any required withholding taxes.

- (4) The reporting person will receive an additional amount in cash equivalent to 21.16 shares due to dividend equivalents.

- Pursuant to the Merger Agreement, at the Effective Time, each outstanding stock option owned by the reporting person that has an exercise price per share of common stock underlying the stock option that is less than the Per Share Price will be cancelled and converted into the right to receive an amount in cash, less any required withholding taxes, determined by multiplying (a) the excess of the Per Share Price over the exercise price of such stock option by (b) the number of shares of common stock underlying the stock option.
- (5)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.